

UGANDA SECURITIES EXCHANGE
Fees, Charges and Penalties
Rules 2021

**THE UGANDA SECURITIES EXCHANGE LIMITED
FEES, CHARGES AND PENALTIES RULES 2021**

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PART I – APPLICATION AND DEFINITIONS

1. Application

- 1) This document forms part of the Rules of the Uganda Securities Exchange.
- 2) These Rules shall apply to all Trading Participants, Agents of the Securities Central Depository and Listed entities.
- 3) These Rules shall repeal and replace any of the provisions of the Securities Exchange Rules currently in force relating to any fees, charges or penalties.

2. Interpretation

- 1) The terms, words and phrases defined in, and the provisions of the Capital Markets Authority Act, Cap 84, (including the rules and regulations made under it), and in the Memorandum and Articles of Association of Uganda Securities Exchange Limited apply to these Rules.
- 2) Unless inconsistent with the context, the singular includes the plural.
- 3) Headings are purely for reference purposes and shall not be taken into account in the interpretation of the Rules.

3. Definitions

In these Rules, unless the context otherwise requires-

"Authority"	means the Capital Markets Authority established under Cap. 84 Laws of Uganda;
"Act"	Refers to the Capital Markets Authority Act Cap. 84, Laws of Uganda as amended;
"Additional listing"	Means a listing resulting from a rights issue, a capitalization issue or a script (bonus) issue;
"Board"	Means the Board of the Uganda Securities Exchange
"Compensation Fund"	Means the compensation fund established under the Capital Markets Authority Act Cap. 84, Laws of Uganda;
"Cross listing"	The listing of securities on the USE which are already listed on another Securities Exchange
"Currency point"	Is equivalent to Uganda shillings twenty thousand

East African Community”	Any States that have joined or have been affiliated to the East African Community (EAC);
“Listed entity”	Also referred to as “listed company” shall mean a company whose securities have been admitted to the Official list of the USE;
“Securities Exchange”	Means the Uganda Securities Exchange (USE)
“SCD”	Means the Securities Central Depository
“Trading Participant”	means a person licensed by the Authority to carry on the business of buying, selling, dealing, trading of securities as a broker/dealer and is admitted by the Exchange as a the Exchange as Trading Participant under the USE Trading Participant Rules 2021 Rules (interchangeably referred to as a Broker/dealer in these Rules)

PART II – FEES AND CHARGES RELATING TO TRADING PARTICIPANTS

4. Trading Participant fees

The following fees shall apply with respect to the following instances relating to a trading participant of the Securities Exchange.

	Instance	Fee payable
1.	Application to be a trading participant of the Exchange	200 currency points
2.	Trading Participant entrance Fees to the Securities Exchange (Market Access Fees)	5,000 currency points
3.	Annual Trading Participant Fees	125 currency points

5. Cash Guarantee

Trading Participants of the Exchange shall be required to furnish a cash guarantee amounting to 5,000 currency points for purposes of assuring their settlement obligations.

6. Payment of Trading Participant fees

- 1) All Trading Participant fees, with the exception of the trading participant application fee and entrance fee, shall be payable in advance not later than the 10th day of January of each calendar year.
- 2) The trading participant application fee must accompany an application to be admitted as a trading participant of the Exchange and shall not be refundable in the event of an unsuccessful application.
- 3) Following admission as a trading participant, a trading participant will be required to pay an entrance fee as prescribed by the Exchange

PART III – PENALTIES RELATING TO TRADING PARTICIPANTS

7. Penalties for Trading Participants

- 1) Trading Participants of the Exchange shall be liable to pay the following penalties in the following instances:

	Instance	Penalty Payable
1.	Late payment of the annual fees or charges above including but not limited to annual trading participant fee	50 currency points

8. Payment of penalties

All penalties relating to trading participants shall be payable immediately upon receipt of a demand note and shall unless otherwise expressly stated under the USE Trading Participant Rules 2021 accrue a daily fine of 20 currency points on each day after the due date stated in the note until payment in full.

PART IV – FEES RELATING TO LISTING

9. Listing fee for the Main Investment Market Segment (MIMS)

The following fees shall apply with respect to listing on the Main Investment Market Segment of the Securities Exchange:

	Instance	Fee/Charge Payable
1.	Application for listing	200 currency points
2.	Resubmission of application for listing	50 Currency points
3.	Initial listing	0.2% of the value of the securities to be listed subject to a minimum of 250 currency points and maximum of 50,000 currency points
4.	Additional listing	0.2% of the market capitalization of the additional securities to be listed subject to a maximum of 7,500 currency points for rights issues and 2,500 currency points for bonus issues
5.	Annual listing	0.05% of market capitalization of the issuer subject to a minimum of 1000 currency points and a maximum of 5,000 currency points. <i>* The annual listing fee will be calculated on the basis of a 12month average market capitalization</i>

10. Payment of listing fee for the Main Investment Market Segment (MIMS)

- (1) The application to list (on the MIMS) shall be accompanied by the application for listing fee.
- (2) A re-submission of the application for listing shall be accompanied by the re-submission of application for listing fee.
- (3) The initial listing fee shall be payable upon receipt of a letter of admission to the official list.
- (4) The additional listing fees above shall be payable upon an application to list additional securities.
- (5) The annual listing fees above shall be payable not later than the 10th day of January of each calendar year.

11. Listing fee for the Growth Enterprise Market Segment (GEMS)

The following fees shall apply with respect to listing on the Growth Enterprise Market Segment of the Securities Exchange:

	Instance	Fee/charge payable
1)	Application for listing	100 currency points
2)	Any re-submission of application for listing	50 currency points
3)	Initial listing	0.1% of the value of securities to be listed subject to a minimum of 200 currency points and maximum of 500 currency points
4)	Additional listing	0.1% of the market capitalisation of additional securities to be listed subject to a minimum of 50 currency points and a maximum of 500 currency points for rights issues Bonus Issues shall not be subject to additional listing fees
5)	Annual listing	0.05% of market capitalization of the issuer subject to a maximum of 1000 currency points <i>* The annual fee will be calculated on the basis of a 12 month average market capitalization</i>

12. Payment of listing fee for the Growth Enterprise Market Segment (GEMS)

- 1) The application to list (on the GEMS) shall be accompanied by the application for listing fee.
- 2) A re-submission of the application for listing shall be accompanied by the re-submission of application for listing fee.
- 3) The initial listing fee shall be payable upon receipt of a letter of admission to the official list.
- 4) The annual listing fees above shall be payable not later than the 10th day of January of each respective year.

13. Listing fee for the Fixed Income Securities Market Segment (FISMS)

The following fees shall apply with respect to listing on the Fixed Income Securities Market Segment of the Securities Exchange for fixed income securities other than Government securities:

	Instance	Fee/Charge payable
1)	Application for listing	200 currency points
2)	Any re-submission of an application for listing	50 currency points
3)	Initial listing	0.1% of the value of the securities to be listed subject to a minimum of 200 currency points
4)	Additional listing	0.1% of the market capitalization of the additional securities to be listed subject to a minimum of 50 currency points
5)	Annual listing	0.025% of market capitalization of the outstanding listed securities subject to a minimum of 150 currency points

14. Listing fee for Government Securities

The following fees shall apply with respect to listing of Government securities:

	Instance	Fee / charge payable
1)	Application for listing	200 currency points
2)	Any re-submission of application for listing	50 currency points
3)	Initial listing	0.1% of the value of the securities to be listed subject to a minimum of 250 currency points and a maximum of 750 currency points
4)	Re-opening	0.1% of the value of the Securities to be listed subject to a minimum of 750 currency points
5)	Annual listing	0.025% of market capitalization of the outstanding listed securities subject to a minimum of 250 currency points and a maximum of 1000 currency points
6)	Treasury Bill Listing Fees	<ul style="list-style-type: none"> a. 91-day Bill 0.1 % of the value of the securities subject to a maximum of 125 currency points b. 182-day Bill 0.1 % of the value of the securities subject to maximum of 250 currency points c. 364-day Bill 0.1 % of the value of the securities subject to a maximum of 375 currency points

15. Payment of listing fee for the Fixed Income Securities Market Segment (FISMS)

- 1) The application to list (on the FISM) shall be accompanied by the application for listing fee.
- 2) A re-submission of the application for listing shall be accompanied by the re-submission of application for listing fee.

- 3) The initial listing fee shall be payable upon receipt of a letter of admission to the official list.
- 4) The additional listing fees above shall be payable upon an application to list additional securities.
- 5) The annual listing fees above shall be payable not later than the 10th day of January of each respective year.

16. Listing fees and charges for cross listings from within the East African Community

The following fees shall apply with respect to cross listings from within the East African Community.

	Instance	Fees payable
1)	Application for listing	200 currency points
2)	Any re-submission of application for listing	50 currency points
3)	Initial listing in the case where the cross listing is not accompanied by a local float of securities for the Ugandan market	0.1% of the market capitalization of the applicant
4)	Initial listing in the case where the cross listing is accompanied by a local float of securities for the Ugandan market valued at not less than US\$ 5 million in market Capitalization	0.025% of the market capitalization of the local float
5)	Initial listing in the case where the cross listing is accompanied by a local float of securities for the Ugandan	0.05% of the market capitalization of the local float

17. Listing fees and charges for cross listings from outside the East African region

The following fees shall apply with respect to cross listings from outside the East African Community:

	Instance	Fees Payable
1)	Application for listing	1,000 currency points
2)	Any re-submission of application for listing	500 currency points
3)	Initial listing in the case where Cross listing is not accompanied by a local float of securities for the Ugandan market	0.1% of the market capitalization of the applicant subject to a minimum of 5,000 currency points.
4)	Initial listing in the case where the cross listing is accompanied by a local float of securities for the Ugandan market valued at not less than US\$ 25 million in market capitalization	0.05% of the market capitalization of the local float of the applicants subject to minimum of 10,000 currency points
5)	Annual Listing in the case where the cross listing is not accompanied by a local float of securities for the Ugandan market	0.025% of the market capitalization of the issuer subject to a minimum of 1,000 currency points
6)	Annual listing in the case where the cross listing is accompanied by a local float of securities for the Ugandan market valued at not less than US\$ 25 million in market capitalization	0.00625 of the market capitalization of the local float subject to a minimum of 5,000 currency points
7)	Additional listing fees	0.2% of the market capitalization of the additional securities to be listed subject to a minimum of 2000 currency points

18. Payment of fees for cross listings

- 1) The application to cross list on the Securities Exchange shall be accompanied by the application for listing fee.
- 2) A re-submission of the application for cross listing shall be accompanied by the re-submission of application for listing fee.
- 3) The initial and additional cross listing fees above shall be payable upon receipt of a letter of admission to the official list.
- 4) The annual listing fees for cross listed entities as designated above shall be payable not later than the 10th day of January of each respective year.

19. Fees related to Listing by Introduction

- 1) An application fee to list by introduction shall be 250 currency points.
- 2) Initial Listing fees shall be 0.2% of the value of securities to be listed subject to a minimum of 200 currency points and a maximum of 12,500 currency points.

PART V – PENALITES RELATING TO LISTING

20. Penalties for listed companies

Companies listed on the Securities Exchange shall be liable to pay the following penalties in the following instances:

	Instance	Penalty payable
1)	Upon late payment of listing fees	500 currency points
2)	Upon late submission of audited annual accounts	500 currency points
3)	Upon late submission of interim (semi-annual) accounts	500 currency points
4)	Upon late notification of events	250 currency points

21. Payment of penalties

All penalties relating to listing shall be payable immediately upon receipt of a demand note and shall accrue a daily fine of 20 currency points on each day after the due date stated in the note until payment in full.

22. Special provision relating to the listed entities

Listed entities shall be liable to action under any other relevant Rules of the Securities Exchange after 5 days of default in addition to the penalties in Rule 20 above.

PART VI – CHARGES RELATING TO DE-LISTING

- 23.** The following fees shall apply to Issuers who wish to de-list from the Exchange (voluntary delisting)
- (1) Delisting from the Main Investment Market Segment (MIMS)- 0.1% of the value of securities to be delisted subject to a maximum of 15,000 currency points
 - (2) Delisting from the Growth Enterprise Market Segment (GEMS) -0.05% of the value of securities to be delisted subject to a maximum of 2,500 currency points

PART VII -CHARGES RELATING TO TRADING

24. Charges relating to equity trades

The following commissions shall be charged by the following parties in relation to equity trades:

	Party	Commission Payable
1)	Broker	1.7% of the value of the trade
2)	USE	0.14% of the value of the trade
3)	CMA	0.14% of the value of the trade
4)	Compensation Fund	0.02% of the value of the trade
5)	SCD	0.1% of the value of the trade
	Total (Maximum)	2.1%

25. Charges relating to corporate bonds trades and other fixed income securities

The following commissions shall be charged by the following parties in relation to fixed income securities trades:

	Party	Commission Payable
1)	Broker	0.031825% of the value of the trade
2)	USE	0.015675% of the value of the trade
3)	CMA	Nil
4)	Compensation Fund	0.00125% of the value of the trade
5)	SCD	0.00125% of the value of the trade
	Total (Maximum)	0.05%

26. Private Transfer Fees

A nominal fee of 25% of the normal commission shall be payable by the transferee to the trading participant subject to a minimum of 0.15 currency points of which 15% shall be paid to the Exchange.

PART VIII – FEES RELATING TO THE SECURITIES CENTRAL DEPOSITORY (SCD)

27. SCD fees

The following fees shall apply to the following parties with respect to SCD operations:

	Instance	Fee payable
1)	Appointment of SCD Agent in the case where the applicant is a trading participant of the Securities Exchange	50 currency points
2)	Appointment of SCD Agent in the case where the applicant is not a trading participant of the Securities Exchange	250 currency points
3)	SCD Annual Subscription	125 currency points
4)	Statements issued on the request of an account holder	Nil
5)	Withdrawal of securities	0.75 currency points (per certificate)
6)	Upon recording, releasing or foreclosing of pledges	2 Currency points per pledge
7)	Prompt Trades	0.5 currency points per trade
8)	IPO subscription Processing fee (charged to investors)	0.25 currency points per subscription application

28. SCD penalties

The following parties shall suffer the following penalties with respect to SCD operations:

	Instance	Penalty payable
1)	Broker failure to allocate trades on T+3	0.14% of the value of the trade on the day after the due date and 50 currency points on each day of default until allocation
2)	Settling participant's failure to avail adequate funds for settlement on its settlement account by 4:00 p.m. EAT on T+2	200 currency points on the day after the due date and suspension from trading until rectification of the situation

PARTIX– GENERAL AND MISCELLANEOUS PROVISIONS

29. General penalties relating to trading participants

The trading participants of the Securities Exchange shall be liable to pay the following general penalties with respect to the following instances:

	Instance	Penalty payable
1)	Failure to make full payments of monies due to clients in a timely manner	100 currency points
2)	Breaching of any provisions of the Rules or Codes of the Securities Exchange where no specific penalty has been prescribed.	500 currency points

30. Payment of penalties

All penalties in the Rule above shall be payable immediately upon receipt of a demand note and shall accrue a daily fine of 20 currency points on each day after the due date stated in the note until payment in full.

31. Amendment of these Rules

- 1) These Rules may be amended from time to time as may be agreed by the Board.
- 2) No amendment to these Rules shall come into force unless and until it has been approved by the Authority.

32. Repeal of the USE Fees Charges and Penalties Rules 2012

- (1) The USE Fees Charges and penalties Rules of 2012 are as at the *effective date* of these Rules hereby repealed without prejudice to any action(s) taken, obligation acquired or liability incurred thereunder by the Exchange, any Trading Participant, any Listed entity or any person.
- (2) **Effective Date:** These Rules shall be deemed to have come into force effective 1st April 2021.